

Message Text

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ACTION EB-11

INFO OCT-01 EUR-25 ISO-00 AGR-20 CEA-02 CIAE-00 COME-00

DODE-00 FRB-02 H-03 INR-10 INT-08 L-03 LAB-06 NSAE-00

NSC-10 PA-04 RSC-01 AID-20 CIEP-02 SS-20 STR-08

TAR-02 TRSE-00 USIA-15 PRS-01 SPC-03 FEA-02 OMB-01

IO-14 DRC-01 /195 W

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R 232200Z JAN 74

FM AMEMBASSY OTTAWA

TO SECSTATE WASHDC 2552

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E.O. 11652: N/A

TAGS: GATT, ETRD, CA

SUBJECT: CANADIAN CHERRY SURTAX: U.S. COMPENSATION REQUEST

REF: STATE 011149

1. GOC HAS TAKEN REVISED U.S. COMPENSATION REQUEST UNDER CONSIDERATION. IN DISCUSSION WITH ECON COUNSELOR, OLIVER (DEPT. OF FINANCE) MADE THE FOLLOWING COMMENTS:

A. HE IS AWARE OF THE FEBRUARY 1 NOTIFICATION DEADLINE AND NEED THEREFORE FOR PROMPT GOC REACTION; HE THOUGHT IT MIGHT BE BEGINNING OF NEXT WEEK BEFORE HE WOULD BE IN POSITION TO RESPOND BUT WOULD TRY TO EXPEDITE INTERNAL GOC PROCEDURES;

B. ACCEPTANCE REVISED U.S. REQUEST WOULD REQUIRE CHANGE IN POSITION WHICH MINISTER TURNER HAS ALREADY COMMUNICATED TO PARLIAMENT REGARDING REVERSION OF TEMPORARILY REDUCED TARIFF RATES TO NORMAL LEVELS FEBRUARY 20 (SEE OTTAWA'S A-21, JANUARY 14); THIS WOULD CREATE SOME DIFFICULTY BUT COULD

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BE DONE;

C. SINCE CHERRY SURTAX AFFECTED MAINLY GROWERS IN NORTHWESTERN STATES, THERE IS SOME SENTIMENT IN GOC FOR OFFERING COMPENSATION THAT WOULD BE OF DIRECT VALUE TO THAT AREA; HE IMPLIED GOC MIGHT COME UP WITH COUNTERPROPOSAL.

2. ECON COUNSELOR HAS IMPRESSION THAT GOC, HAVING THOROUGHLY VETTED GREY'S INTERPRETATION OF ARTICLE XIX, IS ANXIOUS TO SETTLE QUESTION OF COMPENSATION IN THIS CASE.

3. IN RESPONSE TO QUESTION ABOUT GOC INTENTIONS IN SEPARATE BUT RELATED MATTER OF BEEF SURTAX, OLIVER SAID GOC STILL CONSIDERING WHETHER TO NOTIFY GATT. HE RECALLED RENNER'S COMMENT DURING JANUARY 3 MEETING THAT IF CANADA DID NOT NOTIFY, U.S. PROBABLY WOULD ACT AS IF CANADA HAD NOTIFIED AND WOULD REQUEST COMPENSATION UNDER ARTICLE XIX. HE ASKED WHETHER CANADA COULD EXPECT TO RECEIVE SUCH A REQUEST SOON. ECON COUNSELOR SAID HE DID NOT KNOW WHERE THIS MATTER STOOD IN WASHINGTON BUT HE ASSUMED U.S. WOULD PREFER TO AWAIT CANADIAN DECISION ON NOTIFICATION PROVIDED DECISION WERE FORTHCOMING IN REASONABLE TIME.
SCHMIDT

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Message Attributes

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Disposition Approved on Date:
Disposition Authority: morefirh
Disposition Case Number: n/a
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Disposition Date: 28 MAY 2004
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